



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN
Chief Administrative Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

August 30, 2006

To: Mayor Michael D. Antonovich
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

From: David E. Janssen
Chief Administrative Officer

SACRAMENTO UPDATE

STATUS OF LEGISLATION OF COUNTY INTEREST

County Advocacy Bills

County-supported AB 32 (Nuñez and Pavley), which would enact the California Global Warming Solutions Act of 2006, to require the California Air Resources Board to adopt regulations on or before January 1, 2008, establishing a program to require the reporting and verification of statewide greenhouse gas emissions, develop an emissions baseline, and monitor and enforce compliance with emission limits on greenhouse gases, was amended on August 23, 2006.

The amendments would continue to establish the California Global Warming Solutions Act of 2006, but would create and specify the membership of the California Greenhouse Gas Reduction Council (council) with the purpose of coordinating the development and implementation of the State Agency Greenhouse Gas Emission Plan. The bill would require the California Air Resources Board (CARB), the California Public Utilities Commission, California Environmental Protection Agency, and other State bodies, to submit, and the council to adopt, a statewide greenhouse gas emissions reduction plan and plan elements, and would require State bodies to adopt and implement the measures specified in the plan or plan updates and to report annually to the council on the progress of its plan elements.

In addition, the amendments would require the council, by January 1, 2008, to prepare and submit to the Governor and Legislature a report that makes recommendations for changes to State law and regulation that will assist in providing financial or other incentives to greenhouse gas emission sources and other entities to undertake actions to reduce greenhouse gas emissions to comply with the act. Furthermore, AB 32 would authorize CARB to adopt a schedule of fees to be paid by the sources of greenhouse gas emissions to cover the actual cost of the monitoring and reporting system and would require CARB to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020. The bill would also require CARB to establish enforceable interim emissions limits by January 1, 2010, to become operative on January 1, 2012, and January 1, 2016, that progressively reduce emissions levels to contribute to meeting the 2020 limit.

Finally, the amendments to AB 32 would require CARB to adopt greenhouse gas emissions measures by regulation in order to achieve the maximum feasible reductions in greenhouse gas emissions to meet the statewide emissions limit and would authorize CARB to adopt market mechanisms to increase financial incentives to reduce greenhouse gas emissions. The CARB is required to monitor compliance with and enforce any rule, regulation, order, emission limitation, emissions reduction measure, or market mechanism adopted by the CARB pursuant to specified provisions of existing law. **Because the amendments to AB 32 are consistent with the intent of the prior version of the bill, we will continue to support this measure.** AB 32 is currently in the Senate Rules Committee awaiting further action.

County Interest Bills

AB 1381 (Nuñez), which would transfer authority over a number of the administrative and fiscal functions of the Los Angeles Unified School District (LAUSD) from the District Board to the Mayor of Los Angeles, passed the Assembly on August 29, 2006 by a vote of 43 to 24, and now proceeds to the Governor.

As reported on July 19, 2006, SB 1381 would also establish the Council of Mayors which would be comprised of the mayors of each city within the boundaries of the LAUSD and members of the Los Angeles County Board of Supervisors whose supervisorial district lies in unincorporated areas within the boundaries of the LAUSD. The First, Second and Third Supervisorial Districts would be eligible to participate on the Council of Mayors. As amended on August 7, 2006, AB 1381 would allow a Board member to opt out of participation by providing written notification to the Council.

AB 2731 (Karnette), as amended on August 24, 2006, would provide a tax credit of up to \$10,000 per worker for employees engaged in the manufacture of the C-17 aircraft which is currently manufactured by the Boeing Company in Long Beach. The prior version of AB 2731 referred to Medi-Cal preferred providers. The credits would go into effect on January 1, 2007 and sunset on January 1, 2017. The bill is an

attempt to keep jobs in the Los Angeles County area after Boeing announced the closure of its Long Beach facility in 2009 due to a lack of new orders. Employment for Boeing in Long Beach related to the Joint Cargo Aircraft or KC-X Tanker would also qualify for the credits. The total cost of this tax credit is estimated to be \$100 million. According to newspaper reports, this amount is similar to expenditures incurred by Boeing to date to keep the existing supply lines open in anticipation of new orders. AB 2731 has been referred to the Senate Rules Committee.

We will continue to keep you advised.

DEJ:GK
MAL:JF:IGR:cc

c: All Department Heads
Legislative Strategist
Local 660
Coalition of County Unions
California Contract Cities Association
Independent Cities Association
League of California Cities
City Managers Associations
Buddy Program Participants